

## GROWTH WITH EQUITY: Fostering Development Through Reform

One of the most pressing challenges in our hemisphere is overcoming poverty. More than four in 10 persons in Latin America and the Caribbean live below the poverty line, and some 20 percent suffer from extreme poverty. Because governments in the region have made only limited progress in reducing poverty rates over the past 25 years, leaders at the Quebec City Summit agreed on a focused approach to improve the lives of the poor.

At the heart of this approach is strengthening economic growth, which directly contributes to poverty reduction. Since the poor both benefit from and provide key contributions to economic growth, leaders in Quebec City agreed upon a number of commitments to help unlock resources for the poor. Commitments include promoting the development of small and medium-sized businesses, maximizing the benefits of remittance flows, and improving property registration. At the Special Summit of the Americas leaders took many of these commitments a step further by agreeing to specific, concrete objectives.



The U.S. contributes to the development and support of small business throughout Latin America and the Caribbean, such as this lumber shop in Peru. (Luigi Crespo, USAID)

The United States continues to help our hemispheric partners reduce poverty through a range of bilateral and multi-lateral tools. We provide technical assistance and targeted aid to countries in need. We lead efforts to continue enhancing cooperation from donors and international organizations. We advise countries on implementing the right set of reforms for broad-based economic growth. Overcoming poverty is a daunting challenge for the hemisphere, and our Summit agenda provides the framework for success.

### U.S. ACTIONS TO IMPLEMENT THE HEMISPHERE'S AGENDA

- At the Quebec City Summit, the U.S. launched the **Inter-American E-Business Fellowship Program**. The program gives professionals from across the Americas the opportunity to **learn about information technology** by spending time with U.S. companies. In the last three years, U.S. host companies contributed over 7,000 hours of training.
- The U.S. funds the **Inter-Summit Property Systems Initiative** to help **coordinate efforts to register property** and implement reforms throughout the hemisphere.
- The U.S. supports the development of regulatory frameworks and innovative approaches to widen and deepen **financial intermediation in the small and microenterprise sector**.
- The U.S. is **addressing the development financing needs** of the poorest countries. We are the leading provider of official development assistance and the largest shareholder at the World Bank and Inter-American Development Bank.
- With the new **Millennium Challenge Account (MCA)**, the U.S. has pledged to **expand its total development assistance** by roughly 50 percent by 2006.
- MCA funds will go toward countries that **rule justly, invest in their people, and encourage economic freedom**. Several Western Hemisphere countries are candidates for MCA funds.